IN THE CLAIMS:

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1.-25. (Cancelled)

26. (Currently Amended) A picture decoding method for decoding a bitstream, said method comprising:

decoding a coded picture included in the bitstream to obtain a decoded picture, using a decoding unit;

filtering the decoded picture to obtain a filtered picture, using a filter;

extracting, using a demultiplexing unit, filtering application information from the bitstream, the filtering application information specifying a picture and indicating, on a picture by picture basis, which one of the decoded picture before the filtering and the filtered pictures picture after the filtering, is outputted for a display process as the specified picture; and

storing, in a memory, the filtered picture as a reference picture for decoding another picture, using a storing unit, and outputting the decoded picture, using an outputting unit, in the case where the filtered picture is the reference picture and the filtering application information indicates the decoded picture is outputted for the display process.

27. (Previously Presented) The picture decoding method according to Claim 26, further comprising:

storing, in the memory, the filtered picture as a reference picture for decoding another picture and outputting the filtered picture, in the case where the filtered picture is the reference picture and the filtering application information indicates the filtered picture is outputted for the display process.

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28. (Currently Amended) The picture decoding method according to Claim 26, wherein the filtering application information is applied for a predetermined the specified picture and each picture following the predetermined specified picture.

29. - 31. (Cancelled)

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32. (Currently Amended) A picture decoding apparatus for decoding a bitstream, said apparatus comprising:

a decoding unit operable to decode a coded picture included in the bitstream to obtain a decoded picture;

a filter operable to filter the decoded picture to obtain a filtered picture;

a demultiplexing unit operable to extract filtering application information from the bitstream, the filtering application information specifying a picture and indicating, on a picture by picture basis, which one of the decoded picture before filtering and the filtered picture after filtering, is outputted for a display process as the specified picture;

a storing unit operable to store, in a memory, the filtered picture as a reference picture for decoding another picture; and

an outputting unit operable to output the decoded picture, in the case where the filtered picture is the reference picture and the filtering application information indicates the decoded picture is outputted for the display process.

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- 33. (Currently Amended) The picture decoding apparatus according to claim 32, wherein said outputting unit <u>is</u> further operable to output the filtered picture, in the case where the filtered picture is the reference picture and the filtering application information indicates the filtered picture is outputted for the display process.
- 34. (Currently Amended) The picture decoding apparatus according to claim [[33]] 32

wherein the filtering application information is applied for a predetermined the specified picture and each picture following the predetermined specified picture.

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